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CENTRAL INTELLIGENCE AGENCY
WASHINGTON, D.C. 20505

OLC 75-1196

10 JUN 1975

Mr. J. Kenneth Fasick, Director
International Division
General Accounting Office
441 G Street, N. W.
Washington, D. C. 20548

Dear Mr. Fasick:

At the request of Representative Lucien N. Nedzi, Chairman of the Special Subcommittee on Intelligence, House Armed Services Committee, we have been cooperating with your office in a review of the liquidation of an Agency proprietary organization. It is understood that the review, which commenced on 6 May 1975, is progressing smoothly.

In addition to information bearing directly on this transaction, Mr. Charles W. Mattox, Supervisory Auditor, of your office, has been provided background information to assist him in understanding Agency practices. Such information, revealing as it does, operational methodology relating to intelligence sources and methods, falls within the responsibility covered by 50 U. S. C. 403 (copy enclosed).

It is my understanding that the contents of the report, which will be the product of your efforts, are to be submitted solely to the Special Subcommittee on Intelligence, that the report will not contain any sensitive background information not directly relevant to the transaction, and that any sensitive intelligence sources and methods information forming the basis for the report will remain exclusively in the possession of this Agency where, of course, it would always be available to the Special Subcommittee on Intelligence.

MORI/CDF pages 1-3



It is assumed that such arrangements would be consistent with our mutual responsibilities.

Please be assured of our complete and continuing cooperation in this endeavor.

Sincerely,

SIGNED

George L. Cary
Legislative Counsel

Enclosure

cc: Honorable Lucien N. Nedzi, Chairman

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head thereof, and with a Deputy Director of Central Intelligence who shall act for, and exercise the powers of, the Director during his absence or disability. The Director and the Deputy Director shall be appointed by the President, by and with the advice and consent of the Senate, from among the commissioned officers of the armed services, whether in an active or retired status, or from among individuals in civilian life: *Provided, however,* That at no time shall the two positions of the Director and Deputy Director be occupied simultaneously by commissioned officers of the armed services, whether in an active or retired status.

(b) Commissioned officer as Director or Deputy Director; powers and limitations, effect on commissioned status.

(1) If a commissioned officer of the armed services is appointed as Director, or Deputy Director, then—

(A) in the performance of his duties as Director, or Deputy Director, he shall be subject to no supervision, control, restriction, or prohibition (military or otherwise) other than would be operative with respect to him if he were a civilian in no way connected with the Department of the Army, the Department of the Navy, the Department of the Air Force, or the armed services or any component thereof; and

(B) he shall not possess or exercise any supervision, control, powers, or functions (other than such as he possesses, or is authorized or directed to exercise, as Director, or Deputy Director) with respect to the armed services or any component thereof, the Department of the Army, the Department of the Navy, or the Department of the Air Force, or any branch, bureau, unit, or division thereof, or with respect to any of the personnel (military or civilian) of any of the foregoing.

(2) Except as provided in paragraph (1) of this subsection, the appointment to the office of Director, or Deputy Director, of a commissioned officer of the armed services, and his acceptance of and service in such office, shall in no way affect any status, office, rank, or grade he may occupy or hold in the armed services, or any emolument, perquisite, right, privilege, or benefit incident to or arising out of any such status, office, rank, or grade. Any such commissioned officer shall, while serving in the office of Director, or Deputy Director, continue to hold rank and grade not lower than that in which serving at the time of his appointment and to receive the military pay and allowances (active or retired, as the case may be, including personal money allowance) payable to a commissioned officer of his grade and length of service for which the appropriate department shall be reimbursed from any funds available to defray the expenses of the Central Intelligence Agency. He also shall be paid by the Central Intelligence Agency from such funds an annual compensation at a rate equal to the amount by which the compensation established for such position exceeds the amount of his annual military pay and allowances.

(3) The rank or grade of any such commissioned officer shall, during the period in which such commissioned officer occupies the office of Director of Central Intelligence, or Deputy Director of Central

Intelligence, be in addition to the numbers and percentages otherwise authorized and appropriated for the armed service of which he is a member.

(c) Termination of employment of officers and employees; effect on right of subsequent employment.

Notwithstanding the provisions of section 652 of Title 5, or the provisions of any other law, the Director of Central Intelligence may, in his discretion, terminate the employment of any officer or employee of the Agency whenever he shall deem such termination necessary or advisable in the interests of the United States, but such termination shall not affect the right of such officer or employee to seek or accept employment in any other department or agency of the Government if declared eligible for such employment by the United States Civil Service Commission.

(d) Powers and duties.

For the purpose of coordinating the intelligence activities of the several Government departments and agencies in the interest of national security, it shall be the duty of the Agency, under the direction of the National Security Council—

(1) to advise the National Security Council in matters concerning such intelligence activities of the Government departments and agencies as relate to national security;

(2) to make recommendations to the National Security Council for the coordination of such intelligence activities of the departments and agencies of the Government as relate to the national security;

(3) to correlate and evaluate intelligence relating to the national security, and provide for the appropriate dissemination of such intelligence within the Government using where appropriate existing agencies and facilities: *Provided,* That the Agency shall have no police, subpoena, law-enforcement powers, or internal-security functions: *Provided further,* That the departments and other agencies of the Government shall continue to collect, evaluate, correlate, and disseminate departmental intelligence: *And provided further,* That the Director of Central Intelligence shall be responsible for protecting intelligence sources and methods from unauthorized disclosure;

(4) to perform, for the benefit of the existing intelligence agencies, such additional services of common concern as the National Security Council determines can be more efficiently accomplished centrally;

(5) to perform such other functions and duties related to intelligence affecting the national security as the National Security Council may from time to time direct.

(e) Inspection of intelligence of other departments.

To the extent recommended by the National Security Council and approved by the President, such intelligence of the departments and agencies of the Government, except as hereinafter provided, relating to the national security shall be open to the inspection of the Director of Central Intelligence, and such intelligence as relates to the national security and is possessed by such departments and other agencies of the Government, except as hereinafter

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6. [redacted] Bill Broydrick, on the staff of Representative Les [redacted], asked if we had any information on how this Government or any other government had used the denial or cut-off of spare parts, training, etc., for political purposes. I told him that what this Government did was not our bag but I would check and see if I could give him any information with respect to other governments.

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7. [redacted] Talked with Mike Schley, a congressional intern in the office of Representative Albert Quie (R., Minn.). Schley had called in to see if the Agency provided any tours of the Headquarters building. I told him that we give no tours as such, and that there wasn't anything to see, but that I would drop by his office to talk with him and another intern about a walk-through of the building in the near future.

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9. [redacted] In response to his request, stopped by and saw Brian Atwood in the office of Senator Thomas F. Eagleton (D., Mo.). He gave me a copy of the Senator's speech of 3 June, [redacted] had given the Senator and Atwood a background briefing. The thrust of Eagleton's speech is that while the alliance with the repressive Park regime may be "unholy" its ending would be potentially more dangerous than its continuation.

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10. [redacted] Met with Bill Hogan, House Armed Services Committee staff, and reviewed with him certain matters concerning the GAO audit of the Agency's liquidation [redacted] He said he would back us up completely on the letter from Mr. Cary to Mr. Fascik, a copy of which is in his possession. I explained the two problems involved and he will handle the matter tactfully during his interim session with the GAO people tomorrow.

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